
OLR Bill Analysis

SB 1003

AN ACT CONCERNING THE CONNECTICUT AIRPORT AUTHORITY.

SUMMARY:

This bill establishes the Connecticut Airport Authority (CAA) to develop, improve, and operate Bradley International Airport and the state's five other general aviation airports (Danielson, Groton/New London, Hartford Brainard, Waterbury-Oxford, and Windham airports). It does this by transferring the existing statutory powers to perform these tasks to CAA and authorizing it to issue bonds under its own authority for developing and improving the airports, which remain state property.

The bill creates a nine-member board to govern CAA and replace the existing Bradley International Airport Board of Directors. It gives the new board most of the Bradley Board's powers plus the power to hire staff, retain consultants, procure goods and services, apply for federal and state funds, enter into contracts, borrow money, and issue CAA's bonds.

When it hires personnel, the board must recognize state bargaining units and collective bargaining agreements and offer existing Department of Transportation (DOT) employees the opportunity to transfer, with their positions, to the authority. The bill prohibits any DOT employee in a bargaining unit from being laid off because of CAA's creation.

The bill makes many conforming changes.

EFFECTIVE DATE: July 1, 2011

QUASI-PUBLIC AGENCY

The bill establishes CAA as a quasi-public agency (§ 15) to develop and operate the state's airport, functions currently performed by DOT and the Bradley Board of Directors. It does this by transferring to CAA (1) the DOT commissioner's statutory authority to establish, maintain, operate, and expand airports anywhere in Connecticut (§ 19) and (2) the Bradley Board's authority to oversee Bradley's operation and development (§ 2).

In establishing CAA, the bill distinguishes Bradley International Airport from the other five state-owned airports by designating the latter "general aviation airports."

ORGANIZATION STRUCTURE

§§ 2 & 5 — CAA Board of Directors

The bill creates a nine-member board to govern CAA in place of the current Bradley Board of Directors. As Table 1 shows, the structure of the proposed new board is similar to that of the Bradley Board.

Table 1: Boards of Directors

<i>Appointing Authority</i>	<i>Bradley Airport Board Current Law</i>	<i>CAA's Board The Bill</i>
Ex officio	DOT and Department of Economic and Community Development commissioners	Same
House Speaker	Transportation Strategy Board representative	Representative of a state-owned general aviation airport
House Minority Leader	Bradley International Community Advisory Board representative	Same
Governor	Private sector representative	Three private sector representative
Senate President Pro Tempore	Private sector representative	Same
Senate Minority Leader	Private sector representative	Same
Total	7 members	9 members

The bill eliminates from the new board a representative of the Transportation Strategy Board; adds one representative of the general

aviation airports; and expands, from one to three, the number of gubernatorial appointees. One of the governor's appointees must be designated chairman. Members serve four-year terms, and in the initial four-year term, at least one of the governor's appointees must be from the Bradley Board of Directors. Unlike the current Bradley Board members, the CAA board members must be approved by the legislature.

As under current law, appointed members must be business leaders or executives with corporate or institutional experience. They must include experts in financial planning, budgeting and assessment, marketing, master planning, strategic planning, and transportation management. All members must comply with same rules governing Bradley Board members, including those for taking an oath, attending meetings, and electing a vice chairperson. Members serve without compensation.

The bill specifies how board members can serve without incurring a conflict of interest. Members with a financial interest in a person, firm, or corporation or who serve as trustees, directors, partners, or officers of these entities can avoid such conflicts by not deliberating, acting, or voting on any matter affecting the entities.

§ 4 — Executive Director

The board appoints CAA's executive director, who serves at its pleasure and is exempt from the classified service. The director must generally direct and supervise CAA's administrative affairs and technical activities and perform several administrative and managerial tasks the bill specifies. The board determines the director's compensation.

§ 5 — Surety Bonds

The board members and the executive director must post surety bonds, and the bill provides two options for doing so: (1) the board chairman can execute a bond covering all members and the director or (2) each member posts a \$50,000 bond and the director a \$100,000 one.

POWERS**§ 3 — *Administrative***

The bill transfers to CAA many airport-related powers currently exercised by the Bradley Board of Directors and the DOT commissioner with respect to Bradley International Airport. These include developing organizational and management structures, approving annual capital and operating budgets, approving airport master plans, and establishing and reviewing marketing policies.

In transferring the former's powers to CAA, the bill extends them to the general aviation airports. The bill also supplements these powers with those generally exercised by quasi-public agencies. These include:

1. accepting aid and contributions from any source,
2. executing agreements with government agencies to fulfill CAA's mission,
3. issuing bonds and incurring other similar debt,
4. acquiring personal property,
5. hiring employees and retaining consultants,
6. entering into contracts and other agreements to fulfill CAA mission, and
7. taking other actions to fulfill that mission.

The Bradley Board currently reviews major DOT contracts for airport operation.

§ 18 & 19 — *Airport Development and Operations*

The bill transfers to CAA the DOT commissioner's powers to develop and operate airports. These include selling or leasing airport property, acquiring or taking land by eminent domain, providing parking and managing traffic at the airports, and executing mutual fire protection service assistance agreements with municipalities. The

transfer does not include cooperating with the Transportation Strategy Board, currently a duty of the Bradley Board that the bill eliminates.

In transferring the authority to prepare these plans, the bill requires CAA to follow the same procedures DOT currently follows when implementing a plan. These include holding public hearings on proposed plans, filing copies of amended plans with the affected municipalities, and complying with judicial procedures when municipalities oppose a plan.

§§ 7, 8, 10, 11, 12, & 20 — Bonding

The bill authorizes CAA to issue bonds for financing improvements at Bradley and the general aviation airports and requires CAA to repay them with airport revenues. It does this by:

1. eliminating DOT's role in the process for requesting bonds,
2. transferring the current statutory authorization for issuing Bradley improvements bonds from DOT and the State Bond Commission to CAA,
3. extending that authorization to include improvements at the general aviation airports, and
4. making CAA wholly liable for the bonds it issues.

The bill similarly transfers the authority to refund the bonds from the State Bond Commission to CAA.

When issuing bonds, CAA must comply with the same procedural requirements and terms and conditions that currently apply when the State Bond Commission issues bonds for Bradley improvements. But under the bill, CAA decides when to issue the bonds, not the treasurer.

Lastly, the bill transfers to CAA bonds the tax-exempt status of the Bradley bonds.

§ 14 — PERSONNEL

Successor Agency

The bill makes the authority a successor employer to the state and requires it to recognize existing state bargaining units and collective bargaining agreements (CBA). The bill deems CAA's employees to be state employees, and its officers and employees are considered state employees for collective bargaining and health and retirement benefits.

Hiring

The bill authorizes CAA, not the Executive Branch, to determine if an individual is qualified to fill a vacancy. It exempts CAA from complying with state hiring policies and procedures and from needing the Executive Branch's approval to create new positions and fill them. Under the bill, CAA's non-managerial employees are in the classified service; managerial employees are exempt from the classified service. The bill allows CAA to establish incentive plans for managers.

Transfers

The bill requires existing DOT aviation employees to be offered the opportunity to transfer, with their positions, to CAA. If CAA does not create enough positions for all of them, it must base its offers to transfer on seniority. Anyone covered by a CBA who transfers to CAA retains his or her position and remains in the same bargaining unit as at DOT.

No DOT employee in a bargaining unit can be laid off because of CAA's creation. Employees no longer employed by DOT must be assigned, with their position, to another state agency, based on seniority. The Office of Policy and Management (OPM) secretary must approve all transfers.

DOT employees may decline to transfer; those who do will be laid off and then entitled to be rehired according to their respective union contracts and the CBA. Laws concerning quasi-public agencies, the Division of Special Revenue, and the Connecticut Lottery Corporation will not affect DOT employees' collective bargaining rights.

New Classifications

CAA's board of directors may create new employee classifications.

Starting July 1, 2011, and until either the CBA for transferred employees expires or the legislature approves an interim agreement, whichever is earlier, the authority may hire employees and set the initial terms and conditions of employment without regard to a CBA.

Six months after hiring the first employee in a new classification, the union representing transferred employees and the Executive Branch, on behalf of CAA, must engage in mid-term bargaining for classification at either party's request. The bargaining must include all employment terms, but cannot subject compensation to arbitration. The bargaining cannot result in an average annual compensation for the classification that is less than the average annualized compensation for the transferred employees.

Collective Bargaining

When the CBA covering transferred employees expires, all terms and conditions of employment in a new classification must be subject to collective bargaining as part of the negotiation of a common successor agreement. The Executive Branch negotiates for the authority and represents it in collective bargaining; the authority may have a representative present at the bargaining meetings.

Arbitrators dealing with CAA employees must consider the laws governing arbitration for state employees and the laws concerning quasi-public agencies, the Division of Special Revenue and Gaming Policy Board, and Connecticut Lottery Corporation; the authority's entrepreneurial mission; and the need for flexibility and innovation.

ACCOUNTABILITY

§ 8 — Management and Budgeting

The bill transfers certain management and budgeting requirements to CAA. The current laws authorizing bonds for Bradley improvements require DOT to fix, revise, charge, and collect rates, rents, fees, and charges for using Bradley's facilities and services. It must do so to generate enough revenue to cover operating costs, make principal and interest payments on bonds, and create and maintain reserves and sinking funds. The bill extends this power to cover the

general aviation airports.

Current law also requires DOT to prepare an annual operating budget for Bradley Airport estimating rate, rental, and fee revenues and showing anticipated operating costs, scheduled bond payments, and required reserves and sinking funds. It also requires DOT to submit the budget to the OPM secretary for approval.

The bill requires CAA to prepare a combined budget for Bradley and the general aviation airports. But it is not clear if CAA must submit the combined budget to the secretary for approval or only a separate budget for Bradley.

Lastly, the bill transfers to CAA the DOT commissioner's authority to approve prequalified Bradley contractors. Current law authorizes him to direct Bradley's construction manager to solicit and prequalify responsible and qualified contractors. Although the bill transfers these powers to CAA, it requires CAA to consult with the commissioner when approving prequalified contractors.

§ 12 — Airport Revenues

Bradley and the general aviation airports generate revenues from the fees, rents, and charges they collect. Under current law, DOT must pay this revenue to the treasurer, who must deposit it in the separate, nonlapsing Bradley Enterprise Fund. The bill transfers this requirement to CAA and imposes a similar requirement with respect to the revenue the other airports generate. She must deposit it a separate non-lapsing account called the General Aviation Airports Enterprise Fund.

§ 9 — Annual Reporting

The bill requires the authority, within the first 90 days of each calendar year, to report on its operation for the previous year to the governor. It must report to the legislature annually by March 15. The report must include a summary of the authority's activities, a complete operating and financial statement, and recommended legislation. The bill subjects the authority's accounts to annual audits by the State

Auditors.

BACKGROUND

Related Bill

SB 925 revamps Bradley International Airport's board of directors, increasing its membership and making it more independent of DOT. It also requires the board to identify any law that prevents it from fulfilling its statutory duties and responsibilities and report its findings and recommendations to the legislature by February 15, 2012. The Commerce Committee reported the bill favorably to the floor on March 8.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 17 Nay 0 (03/08/2011)